TAB A
How The Assessment Was Conducted

Annual Assurance Statement

Structure Of Statement

Annual Assurance Statement includes:

- ✓ Cover Memorandum (Signed by Commander or Principal Deputy)
- ✓ TAB A (How the Assessment was Conducted)
- ✓ TAB B (Material Weaknesses)
- ✓ TAB C (SECARMY Statement only--Army Auditor General's Annual Review)

Purpose

Supports the cover memorandum by:

- ✓ **Describing how the organization assessed their management controls.**
- ✓ **Stating how the organization reached a determination of "reasonable assurance."**
- ✓ **Providing detailed information on the status of management controls in their organization.**
- ✓ **Highlighting the most significant accomplishments.**

Reasonable Assurance

What is it?

- ✓ **Satisfactory level of management confidence that *management controls* are *in place* and *operating as intended*.**

- ✓ **Management *judgment* that recognizes there are *acceptable* levels of risk.**

The Basis For Reasonable Assurance

- ✓ Establishment of sound policies and specific required actions.
- ✓ Prevention and detection measures.
- ✓ General knowledge of command operations.

The Basis (continued)

- ✓ Various functional reviews.
- ✓ Actions taken to mitigate or eliminate risk.
- ✓ Annual performance plans and reports.
- ✓ Adherence to Comptroller General Standards.
- ✓ Management control evaluations.

Specific Information Required

- ✓ **Leadership Emphasis**
- ✓ **Training**
- ✓ **Execution**
- ✓ **Management Control Program and**

  Related Accomplishments

Leadership Emphasis

Summarizes leadership efforts to support management control process

Includes (but not limited to):

- ✓ **Leadership involvement**
- ✓ **Leadership correspondence**
- ✓ **Senior leadership councils**

Leadership Emphasis
Examples

Discussed MCP at Staff meeting. **(past example)**

Deputy Commanding General stressed importance of management controls in command off-site meetings and directed they review issues/concerns internal to their organization and consider them as potential material weaknesses.
(improved example)

Leadership Emphasis Examples

Commander signed MCP memorandum.
(past example)

Commanding General signed memorandum addressed to all subordinate commanders and managers stressing the importance of effective management controls and defining their roles and responsibilities as related to the Management Control Process.
(improved example)

Leadership Emphasis Examples

Convened a Senior Leadership Council meeting. **(past example)**

Convened a Senior Leadership Council meeting consisting of senior representatives from each directorate to identify and discuss issues/ concerns, identify appropriate players, determine if weaknesses are material and should be included in the Commander's Annual Assurance Statement, and address corrective actions. **(improved example)**

Training

Summarizes management control training conducted.

Includes:

- ✓ **Type of training (e.g., USDA, MACOM, in-house staff)**
- ✓ **Total number receiving each type of training**

Training Example

Conducted MCP training for 652 personnel.

(past example)

The following MCP training* was provided throughout the command:

USDA Two-Day MCP Course--12

Army MCP Training Conference--10

Local MCP Training:

classroom--375; desk-side briefing--45;

VTC--100; telephonic briefing--25;

Training CD--35; Web-based—50 (improved example)

***Source: Training Documentation Worksheet**

http://www.asafm.army.mil/fo/fod/mc/MC.asp

Execution

Summarizes most significant management control accomplishments within organization.

Includes:

- ✓ **Improvements in administering the MCP**
- ✓ **Improvements in enhancing the effectiveness of management controls in functional processes and programs**

Execution Examples

Implemented enhanced physical security measures such as protective barriers and permanent guard forces. **(past example)**

Annual Force Protection inspection noted deficiencies in physical security throughout the installation. Several enhanced physical security measures such as protective barriers and permanent guard forces were implemented to bring installation in compliance with Force Protection regulations and directives (AR 525-13, etc.).
(improved example)

Execution Examples

Provided training for Government Travel Card Holders and Approving Officials. **(past example)**

Internal audit of Travel Card Program revealed inappropriate purchases and reimbursable expenses by card holders. Training was mandated for all card holders and approving officials. Attendees certified they understood current regulatory guidance. Card holders and approving officials required to attend training annually to minimize noncompliance. **(improved example)**

Execution Examples

Conducted Safety Awareness classes.
(past example)

During an accident investigation following the deaths of two soldiers in a motor pool, it was determined that personnel were not following all safety procedures. Motor pool safety training was conducted immediately for all personnel. The Commander also instituted a policy that refresher safety awareness training would be conducted regularly and that personnel would be monitored to ensure all safety measures are followed to minimize the possibility of future accidents. (improved example)

MCP and Related Accomplishments

Highlights the most significant Management Control Program (MCP) and related accomplishments in organization.

Include other management improvements not specifically part of MCP but related directly to:

- ✓ **Protection of government property**
- ✓ **Efficiency of operations**
- ✓ **Conservation of resources**
- ✓ **Improved responsiveness to external customer needs**
- ✓ **Enforcement of laws and regulations**

Major Accomplishments Format

Title of Accomplishment

Issue problem	**(briefly describe the**
Accomplishment management	**or challenge involved)** **(describe the** **control accomplishment in** **a few,** **bullet statements)**

Keep it simple and concise!

Major Accomplishments Example

Title of Accomplishment:

Third US Army Strengthening of Management Controls
In a Forward-Deployed Theater

Description of the Issue:

Third US Army, the Army's component of Central Command, needed
to ensure that strong, effective management controls were in place
for its forces deployed in the challenging environment of Kuwait,
Saudi Arabia, and Qatar.

Accomplishments:

Established a Command Security Team to formulate, assess, and
improve operation security / physical security within the operational
headquarters.

Directed each staff section to evaluate two highly vulnerable areas – information security and property accountability – in forward deployed organizations.

Developed numerous financial management policies and procedures to facilitate efficient funding of command requirements, while maintaining 100 percent accountability of funds, to include: establishing management controls to ensure funds were used appropriately and to prevent fraud, waste, and abuse; establishing a thorough budget reconciliation and file maintenance process to improve efficiency of budget execution and accountability of funds; and developing detailed tactics, techniques and procedures for resource management in forward area to use in reconciling their financial accounts.

Established a Combined Acquisition Review Board to review all requirements over $200,000 and certain special items (e.g., automation equipment, cell phones and non-tactical vehicles) to determine that there is an operational need before recommending approval, disapproval or quantity adjustments.

Established a monthly Award Fee Review Board to evaluate performance standards of the $70 million annual Combat Service Support Contract, which provides base operations support to US Army Forces, US Central Command-Kuwait and maintenance support for the Army Pre-positioned Stock fleet in Kuwait.

Conducted training on Foreign Disclosure duties and responsibilities to ensure that the sharing of certain classified information with coalition partners did not jeopardize US security.

Provided training on operational security measures with embedded media to ensure unit missions were not compromised, identified ground rules and required media members sign an agreement to abide by these rules.

Employed an internet minimization phase plan that blocks non-official websites and enables more efficient use of the theater's limited bandwidth. Also employed a minimization phase plan for non-official phone calls that utilize the Defense Switch Network.

These plans effectively improved capability to conduct official business when operational requirements dramatically increased demand.

Major Accomplishments Example

Title of Accomplishment:

Army National Guard Travel Charge Card Program

Description of the Issue:

The Army National Guard needed to improve its performance on this program by reducing the rate of delinquency by individual cardholders.

Accomplishments:

Placed strong emphasis on obtaining senior leadership commitment to aid in the elimination of misuse and abuse of the card.

Identified best business practices at high-performing sites / agencies and disseminated these best practices to all elements within the Army National Guard through policy memoranda, newsletters and travel card bulletins.

Created a training course for Agency Program Coordinators (APCs) in the Army National Guard. This course was conducted on multiple occasions during FY 2003.

Implemented regulatory guidance in the form of an Army National Guard regulation and a Standard Operating Procedure, to communicate program requirements and provided a standardized operational plan for success.

Implemented multiple enhancements within the Army National Guard's Automated Funds Control Order System to reduce workload on APCs and provide more reliable account management and early identification of 'at risk' accounts.

These new policies, procedures and training efforts contributed to the Army National Guard reducing its overall delinquency rate from 23.98% in January 2003 to 10.93% in September 2003.

Common TAB A Problems

- ✓ Statements with no TAB A.
- ✓ Insufficient descriptions/lack of details on problems and/or solutions.
- ✓ Lots of details, great program descriptions with NO ties into Management Controls.
- ✓ Inclusion of subordinate feeder statements and/or completed checklists.

Bottom Line. . .

TAB A SUPPORTS YOUR COMMANDER'S ANNUAL ASSURANCE STATEMENT*:

- ✓ **Unqualified Statement of Assurance: "I have reasonable assurance that. . ."**
- ✓ **Qualified Statement of Assurance: "I have reasonable assurance that . . ., except for . . ." (includes material weaknesses)**
- ✓ **Statement of No Assurance: "I do not have reasonable assurance that. . ."**

***Statement uses one of these three forms.**

Final Thoughts. . .

Potential risks when effective management controls

are not in place or working as intended:

- ✓ **Fraud, waste, abuse or mismanagement of government resources**
- ✓ **Effect on combat readiness or program accomplishment**
- ✓ **Illegal acts**
- ✓ **Political sensitivity or media interest**
- ✓ **Effect on safety, health, security, and morale**
- ✓ **Systemic weaknesses which may result in recurring problems**
- ✓ **Minor deficiencies that become significant in the aggregate**
- ✓ **Previously identified problems not being corrected**
- ✓ **Information security**
- ✓ **Public deprivation of needed government services**
- ✓ **Unreliable information causing unsound management decisions**